



Amy G. Rabinowitz  
*Counsel*

January 25, 2005

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

**Re: D.T.E. 04-119**

Dear Secretary Cottrell:

On behalf of Massachusetts Electric Company, Nantucket Electric Company, New England Power Company, and New England Hydro-Transmission Electric Company, Inc., I am enclosing responses to Department Information Requests DTE 1-4, 1-6, 1-9, 1-11, and 1-14.

Thank you very much for your time and attention to this matter.

Very truly yours,

Amy G. Rabinowitz

cc: Joseph W. Rogers, Office of the Attorney General

Massachusetts Electric Company  
Nantucket Electric Company  
New England Hydro-Transmission Electric Company, Inc.  
New England Power Company  
Responses to the Department's First Set of Information Requests  
D.T.E. 04-119

DTE-1-4

Request: Refer to Exh. MEC-1, at 8 and the 2002 and 2003 annual reports regarding the operation of the National Grid USA Money Pool. Please explain whether the monthly borrowing rates contained in the annual reports were based on the borrower's own commercial paper rates or the commercial paper rates published in the Wall Street Journal.

Response: None of the applicant companies issued commercial paper during 2002 and 2003. The borrowing rates were based on the commercial paper rates published in the Wall Street Journal.

Response submitted by or under the supervision of: Robert G. Seega

Massachusetts Electric Company  
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New England Hydro-Transmission Electric Company, Inc.  
New England Power Company  
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DTE-1-6

Request: Refer to Exh. MEC-1, at 11-12. Please provide the monthly average of the rate for high-grade 30-day commercial paper sold through dealers by major corporations as published in the Wall Street Journal for the period January 2002 through December 2004.

Response:

The following table lists the monthly average of the rate for high-grade 30-day commercial paper sold through dealers by major corporations as published in the Wall Street Journal for the period requested:

	2002	2003	2004
Jan	1.71	1.26	1.02
Feb	1.76	1.24	.99
Mar	1.82	1.20	1.00
Apr	1.77	1.20	1.01
May	1.76	1.20	1.04
June	1.75	1.07	1.17
July	1.74	1.02	1.33
Aug.	1.71	1.03	1.52
Sept.	1.72	1.04	1.70
Oct.	1.72	1.04	1.83
Nov.	1.33	1.02	2.06
Dec.	1.31	1.04	2.31
Year	1.675	1.113	1.415

3 year's average 1.401

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DTE-1-9

Request: Refer to Exh. RGS-3, at 1. Please explain the basis on which a borrower is considered to be a member of either Group 1 or Group 2.

Response: The Group 1 ('Group I') companies consist of (i) National Grid USA Service Company, Inc., a system service company wholly owned by National Grid USA, and (ii) direct or indirect wholly-owned public utility subsidiaries of National Grid USA, and, as such, Group I companies are given priority in terms of borrowing needs. Group 2 ('Group II') companies are also public utility subsidiaries, but are not wholly-owned by National Grid USA.

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DTE-1-11

Request: Refer to Exh. RGS-3, at 2. Please provide the current amount authorized by National Grid USA's board of directors for loans to subsidiaries.

Response: The current amount authorized by the National Grid USA Board of Directors for loans to subsidiaries engaged in or organized for the purpose of engaging in the business of generating, transmitting, distributing, or selling (at wholesale or retail) electricity is \$2.5 billion in the aggregate outstanding at any one time (Board resolution dated June 16, 2003).

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DTE-1-14

**Request:** Please explain whether an individual member permitted to borrow from the Money Pool is subject to a minimum or maximum borrowing amount. If so, provide the minimum and maximum borrowing amounts that the borrower can draw from the Money Pool.

**Response:** No minimum loan is required. Some money pool borrowers currently have maximum short term borrowing limits per regulatory order as listed below. These limits are subject to change by order of the applicable regulatory agency.

	SEC under PUHCA (\$MM)	STATE (\$MM)	RESTRICTIVE (\$MM)
New England Power Company	750	375 (New Hampshire PUC)	375
Massachusetts Electric Company	400		400
The Narragansett Electric Company	145		145
Granite State Electric Company	10	10 (New Hampshire PUC)	10
Nantucket Electric Company	40		40
New England Electric Transmission Corp.	10	10 (New Hampshire PUC)	10
* New England Hydro- Transmission Electric Corp.	12.5		12.5
* New England Hydro- Transmission Corp.	12.5	25 (New Hampshire PUC)	12.5
Niagara Mohawk Power Corporation	1000		1000

\*Borrowing for both companies cannot exceed \$25M on a combined basis pursuant to the Phase II Massachusetts and New Hampshire Transmission Facilities Credit Support Agreements dated June 1, 1985.

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